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New York Air Force Contract Management District
EASTERN CONTRACT MANAGEMENT REGION
United States Air Force
111 East 16th Street
New York 3, New York

12 JAN 1962

Reply to
Attn of: REHYAC-1

Subject: Purchasing System Approval Under Applicable CPFF and Price
Redeterminable Contracts

STATINTL

To: The Perkin-Elmer Corporation
Attn:
Norwalk, Conn.

1. Reference is made to the recent follow-up survey of your Purchasing System and to the recommendations submitted to your company by letter from this office dated 7 November 1961, as well as the reply made by your company to this office pertaining to the recommendations referred to in said letter. As a result of such follow-up survey and your acceptance of the recommendations, your Purchasing System is hereby approved subject to the limitations herein-after indicated: The result of this approval is that advance notice need not be given to nor approval received from the Administrative Contracting Officer prior to the issuance of any subcontracts except for:

a. Fixed Price Subcontracts of (Fixed Price Subcontracts below this amount will not require approval).

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b. Subcontracts written on a cost, cost plus fixed fee, time and material, or labor hour basis, Letter Subcontracts and Subcontracts involving research and development work, irrespective of the amount of such subcontracts.

c. Subcontract changes or change notices which increase the purchase cost under the subcontract to or above the amount established as requiring individual subcontract approval, or which change the form of subcontract to a form requiring approval. In such cases, the basic subcontract and the change will be submitted for approval.

d. Subcontracts issued for procurements from affiliates or from sources within the company itself. Interdivisional or interplant work orders or arrangements which require approval under the terms of the contract will be submitted for approval. In the event such work orders or arrangements do not require approval, then the contractor shall forward copies thereof to the ACO, in any event, for his files and for such action as he may deem appropriate.

e. Subcontracts which provide for the fabrication, purchase, rental, installation or other acquisition of any item of industrial facilities, or special tooling having an acquisition cost in excess of \$1,000.

f. All Subcontracts involving free use of Government facilities will necessitate approval of the Contracting Officer.

g. Any other restrictions upon the approval of subcontracts established by the terms of any prime contract.

2. Any data clause contained in a Subcontract which authorizes the delivery of data upon the use of which there is imposed a greater restriction than that provided under the terms of the prime contract is specifically not approved.

3. Continued approval of the system will be contingent upon:

a. Conformity to sound industrial practices.

b. Application of pertinent AF purchasing principles, (including implementation of any material recommendations of the Air Force for the improvement of any areas of deficient procurement policy, procedure or activity).

c. Compliance with the objectives of the Small Business Program.

4. This approval does not relieve the contractor of responsibility for securing ACO approval of subcontract sources.

5. This approval does not relieve the contractor of any of its obligations under any contract, shall be without prejudice to any right or claim of the Government thereunder, will not restrict the Government from subsequently withdrawing approval in whole or in part, will not cover any unapproved material changes which the contractor may make in its procurement system, may not be construed to be a determination of the allowability of any cost under a contract unless such approval specifically provides that it constitutes a determination of the allowability of such cost, nor create any obligation of the Government to a subcontractor under any contract.

6. This authorization does not limit the Administrative Contracting Officer's right to review, in detail, the contractor's procurement system, subcontracts or commitments and is based upon the application in daily operations of the contractor's procurement manual and/or procurement policies and procedures and on the premise that such manual and/or procurement policies and procedures will be in consonance with sound industrial practice and pertinent AF purchasing principles. It is anticipated that a follow-up survey of your purchasing system will be initiated in approximately six months to ascertain the extent of compliance with respect to the accepted recommendations and to the continued implementation of the purchasing system as herein approved.

7. If the determination expressed herein appears to be at variance with the terms of any prime contracts, it should be made clear by this determination that approval is hereby given in accordance with the contract conditions.

8. For the purpose of this letter the term "subcontracts" shall mean "subcontracts or purchase orders."

9. Your acknowledgment of this letter within the next ten days is requested for the records of this office.

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Contracting Officer

Copies to:



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